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Aterian PLC
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Lithium Joint Venture with Rio Tinto in Rwanda

Aterian Plc

("**Aterian**" or the "**Company")**

Aterian Plc (LSE: ATN), the exploration and development company advancing its portfolio of African-focused critical and strategic metal assets, announces that it has signed a definitive Earn-In Investment and Joint Venture Agreement **("Agreement")** with Rio Tinto Mining and Exploration Ltd (**"RIO"**) and Kinunga Mining Ltd **("Kinunga")**. The Agreement is for the exploration and development of lithium and by-products at its HCK Joint Venture project (**"Project"**) holding the HCK licence (the **"Licence"**) in the Republic of Rwanda.

Highlights:

- RIO has the option to invest US$7.5 million in two stages to earn up to a 75% interest in the Licence to explore for minerals vital for a successful energy transition to renewable energy.
  - Stage 1 exploration expenditures of US$3 million over a period of up to two years to earn a 51% interest in the Licence.
  - Stage 2 exploration expenditures of US$4.5 million over a follow-on period of up to three years to earn a further 24% interest in the Licence, taking RIO's interest in the Licence to 75%.
- Cash consideration of US$300,000 over the two stages.
- A 2% capped Net smelter return ("NSR") granted over the Project (capped at US$50 million).
- RIO has the option to add Aterian's two other Rwandan projects, pending licence approval with the authorities.
- The Project has 19 identified pegmatite zones over its 2,750-hectare Licence in southern Rwanda.
- Project located close to good infrastructure, including national highways, power and water.

Charles Bray, Chairman of Aterian, commented:

"This is a transformative deal for Aterian and highlights our ability to identify potential world-class deposits in critical minerals such as lithium. We have identified 19 separate LCT (lithium-caesium-tantalum) pegmatite zones across the 2,750-hectare project offering the prospective scale necessary to attract such a major partner as Rio Tinto.

I am very proud of the Aterian team and their work to identify and unlock strategic mineral assets in Africa and to make this transaction possible. I would like to thank Rio Tinto for their time working with us to enable this investment in the significant lithium potential in Rwanda. I am also grateful for the support from our partner, HCK Mining Company Limited and for the continued partnership with the Rwanda Mines, Petroleum and Gas Board who have been crucial to completing the transaction. We believe this investment highlights the opportunity and transformational potential of the Rwanda mining sector.

Lithium is a key commodity for global electrification ambitions, as it is the central chemical element of dominant battery chemistries. Benchmark Minerals Intelligence forecasts that in 2023 lithium demand will reach 900,000 tonnes, a jump of 27% year-over-year and further forecast to reach 1.5 million tonnes in 2026.

The Agreement with Rio delivers material value to Aterian shareholders endorsing Aterian's capital efficient business model as well as demonstrating the potential of Rwanda as a mining jurisdiction.

The Agreement is subject to conditions, including the addition of lithium as an exploration commodity on the licence, which is expected in due course.

While we focus on working closely with Rio Tinto and our Rwandan stakeholders to ensure the success of this project, we will also look to replicate the capital efficient exploration and development business model in our other project concessions in Rwanda and Morocco."

Key Terms of the Agreement

RIO has the option to incur work expenditure of US$3 million over a two-year period (**"Stage 1"**) to earn an initial 51% interest in the Licence. RIO will also make cash payments to Aterian, totalling US$300,000, to reimburse previous operational expenses incurred by Aterian. An initial payment of US$200,000 is due upon completion of satisfactory due diligence by RIO, and an additional payment of US$100,000 will be due at the start of Stage 2.

Upon earning a 51% interest in the Licence, RIO can earn an additional 24% interest in the Licence by funding additional work expenditures of US$4.5 million over a three-year period (**"Stage 2"**). After Stage 2 RIO will, provided it contributes the additional funding, hold a 75% interest in the Licence.

RIO has agreed to a 2% NSR over the project with a US$50.0m cap that will be due by the future Joint Venture between RIO and Kinunga to a holder/holders to be notified by Aterian to RIO prior to the NSR agreement being entered into and such holder/holders to be subject to completion of satisfactory due diligence by RIO.

Under the terms of the Agreement, RIO has an exclusivity option to invest into Aterian's two other existing Rwandan projects, which will be subject to their own separate agreements. A management committee comprising representatives of both RIO and Aterian will be formed to provide financial and operational oversight. RIO will act as the operator for the Project.

The HCK Project

Aterian has a Joint Venture Agreement and Operating Agreement with HCK Mining Company Limited, a private non-related Rwandan registered entity over a 2,750-hectare exploration licence in southern Rwanda. Aterian holds a 70% interest in Kinunga Mining Limited, which holds the licence for the Project, with HCK Mining Company Limited holding a 30% interest. The licence is located approximately 65 km southwest of Kigali and 20 km northwest of Huye, within the Southern Province, straddling the Nyanza and Huye District boundaries.

The HCK licence is underlain by schists and minor intrusive bodies of the Palaeoproterozoic granitic-metamorphic Butare Complex, lying to the west of the Gitarama granitic massif. The Complex is surrounded by low-grade metasedimentary terrains and is bordered to the north by a significant NW-SE left-lateral shear zone, the Mwogo Structure. Prospecting has identified 19 zones of potentially rare metal hosting pegmatite, frequently with multiple pegmatite dykes observed at most locations.

Recent work has focused on the HCK-1 prospect, which follows a prominent northwest-trending ridgeline. Field observations indicate that the strike of the HCK-1 target zone extends for at least 2,500 m. The width of the target zone is uncertain, but in several locations along exploration pit section profiles, pegmatite is intersected over a horizontal distance of c.100 m.

A positive outcome from the exploration pitting is that 800 m of the identified pegmatite strike continuation occurs in a "greenfield" environment to the southeast of the main ridgeline hosting HCK-1. This can be described simply as an area without observed artisanal workings, pegmatite outcrop, or surface expressions. The pegmatite bodies discovered during the pitting remain blind to the surface covered by soil and regolith of variable thickness up to 4.50 m. A drone survey has been flown over HCK-1, covering an area of 360 hectares, to provide detailed imagery with topographic data and a current view of the earlier artisanal workings.

In Q1 2023, a ground-based multi-method geophysical survey was undertaken over the HCK-1 target. The survey, comprising magnetometry, induced polarisation ("IP"), and electrical IP tomography, was designed to provide information on the main geological controlling structures for the emplacement of the pegmatite bodies, the depth of weathering and recommended targets for detailed follow-up. This work identified four sub-cropping pegmatite bodies and highlighted the strong structural control on pegmatite emplacement with at least three deformation events interpreted.

An independent geochemical study of weathered surface samples collected over the HCK-1 pegmatite shows encouraging evidence for lithium-tantalum enrichment. Given the deep tropical weathering, the enrichment of lithium (16 samples > 150 ppm) is seen as encouraging for locating lithium pegmatites at depth (below the weathering zone). The indicated presence of tourmaline and beryl from several localised zones along the strike of the HCK-1 pegmatite may imply internal zonation and/ or that the bedrock source pegmatite comprises more 'complex' pegmatites (which are generally the targets in LCT pegmatite exploration). The low rubidium levels associated with anomalous lithium may imply a non-mica lithium source and the low levels of phosphorus vector toward a more spodumene-rich bedrock target.

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Notes to Editors:

About Aterian plc

www.aterianplc.com

Aterian plc is an exploration, trading, and development company with a diversified portfolio in Africa of critical and strategic metals projects.

Aterian plc seeks to acquire and develop new critical and strategic metal resources to strengthen its existing asset base whilst supporting ethical and sustainable supply chains. The supply of these metals is vital for developing the renewable energy, automotive, and electronic manufacturing sectors, which are playing an increasing role in reducing carbon emissions and meeting climate ambitions globally.

The Company currently has three partnerships in Rwanda, exploring and developing small-scale tantalum-niobium-tin mining opportunities and recently acquired Aterian Resources Ltd, which owns a portfolio of 15 copper and silver projects with a project area of 762 km^2 in the Kingdom of Morocco.

The Company is launching a new OECD-compliant metals concentrate trading business in Rwanda via its 100% owned subsidiary Eastinco Ltd.

The Company's strategy is to seek new exploration and production opportunities across the African continent and to develop new sources of strategic and critical mineral assets for exploration, development, and trading.

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